

Exhibit “16”

1 VILLAGE OF POMONA:NEW YORK
2 BOARD OF TRUSTEES

ORIGINAL

3 -----X
4 In Re:

5 PUBLIC HEARING ON PROPOSED BUDGET

6 OPEN SESSION
7 -----X

8 Thursday -- 7:30 p.m.

9 April 12, 2007

10 Town Hall

11 Pomona, New York

12 B E F O R E:

13 VILLAGE OF POMONA BOARD OF TRUSTEES
14 PRESENT:

15 NICK SANDERSON, MAYOR

16 BRETT YAGEL, TRUSTEE

17 ALMA ROMAN, TRUSTEE

18 RITA LOUIE, TRUSTEE

19 DORIS ULMAN, VILLAGE ATTORNEY

20 MALVERNE TOLL, SECRETARY

21
22
23 Reported by: Neil Bostock, RMR
24
25

SANDY SAUNDERS REPORTING
254 South Main Street, 2nd Floor
New City, New York 10956
(845) 634-7561

1 means that the average tax, village tax, on a home
2 in the village, will be \$558, which represents an
3 increase of about \$78 per household over the last
4 year.

5 A very brief synopsis of the changes, the
6 principal changes that are made here; the first one
7 being no change; the mayor and trustees are not
8 getting and increase or a decrease in their
9 salaries, but the other village employees have
10 increases of between 3 percent and 3.8 percent.

11 On page three, in 5.5410.4, which is road
12 paving, we have increased the budget from
13 twenty-five thousand to fifty thousand, to
14 accelerate our repair of village roads.

15 We have added on page two a brand new category,
16 which is 1990.4A, which is a tax stabilization fund.
17 This by the way, if all the other changes were
18 netted out against each other, represents almost the
19 entire increase in spending for the year in the
20 budget.

21 Briefly the tax stabilization fund is a method
22 whereby the village can prepare for unforeseen
23 additional costs that could -- unforeseen additional
24 costs, that could increase taxes in the future. And
25 I can give examples of these unforeseen increases,

1 in terms of a potential of increased garbage costs
2 at some point, garbage removal costs at some time in
3 the future. Unfortunately our garbage contract,
4 which we have been a beneficiary of a very constant
5 amount of money that we have been spending on
6 garbage for the past five to seven years, expires on
7 August the 31st 2008, so we predict that during our
8 rebidding process for this contract, there will be a
9 substantial increase, which will have to be taken
10 care of, obviously by increased taxation.

11 We also cannot predict our road maintenance
12 costs, road maintenance being the repair of the
13 roads, and the snow removal from our roads. We rely
14 on the two towns in which the village finds itself
15 to handle this for us. The Town of Ramapo gives us
16 a fixed price contract for a twelve month period,
17 but of course it increases from year to year. We
18 don't know how much it's going to increase. We hope
19 that it's going to be a small amount.

20 The Town of Haverstraw on the other hand bills
21 the village on a time and materials basis, and the
22 amount of money that the village has to reimburse
23 Haverstraw for road maintenance is therefore again
24 an unknown, and this unknown in a bad winter for
25 instance could increase our costs dramatically, and

1 could be representative of an increase in taxes in
2 the future.

3 This tax stabilization fund can also cover the
4 potential of increased legal costs as a result of
5 litigation against the village, again unforeseen
6 litigation.

7 We have increased the budget for our fire
8 inspector. Again, on page three, it's category
9 3620.1A, where we have, in order to accommodate the
10 desire of our emergency services, we have increased
11 the hours that our fire inspector spends
12 in inspections, so that hopefully we can decrease
13 the amount of false alarms that our fire department
14 has to be called out on. We have made a minor
15 change in roads and snow removal to reflect what we
16 know is going to be an increase from Ramapo, and we
17 projected an additional increase from Ramapo as
18 well. That's category 5142.4A on page three.

19 The balance of these things, we have a
20 reduction in capital projects for the village hall.
21 We just completed painting village hall and we just
22 completed a stone wall that we needed for safety
23 purposes in village hall. We don't really foresee
24 any major capital projects at this point.

25 Another reduction is a reduction in planner

1 expenses, as a result of an overall reduction in
2 activity that we see currently. That's on page
3 three, category 8620.4. I'm sorry. Page four,
4 8020.4A. You're not following along with me and
5 correcting me I see.

6 As far as revenue is concerned, this is on page
7 five, we are predicting less revenue for planning
8 and engineering fees and less revenue in building
9 department fees, both of which stem from the same
10 perceived reduction in activity in building.

11 We're also going to receive less money in
12 CHIPS, which is a state fund to help us with road
13 improvements, and that is reflected in category
14 3501.

15 At this point, if anybody -- I have one person
16 that would like to speak at the public hearing.
17 Susan, if you'd like to come up to the podium and
18 the microphone and state your name and affiliation
19 and address.

20 FROM THE FLOOR: Thank you, mayor. Susan
21 Cooper, 55 Turnpike Road, Nanuet.

22 Congratulations Mr. Mayor and to the new board
23 candidates. It's the first time I've seen you
24 sitting up here.

25 MAYOR SANDERSON: Thank you.

1 FROM THE FLOOR: I just wanted to ask a couple
2 of questions about the budget. I'm curious, and I
3 don't know whether you're going to answer me or just
4 whether you'll make a list.

5 MAYOR SANDERSON: It depends upon what the
6 questions are, whether I can answer it immediately.
7 I'm not going to make this into a debate.

8 FROM THE FLOOR: Exactly.

9 MAYOR SANDERSON: However, if I can answer it
10 quickly, I will. If not I will answer you in
11 writing afterwards.

12 FROM THE FLOOR: Okay. On page two of the
13 budget, under the law section, 1420.4, contractual,
14 I was just curious what that's for? I do see that
15 you budgeted 40, you anticipate spending 17, and
16 you're budgeting 40 for '07.

17 MAYOR SANDERSON: The category contractual in
18 legal expenses, is all attorneys' costs, other than
19 our village attorney, and our deputy village
20 attorney.

21 FROM THE FLOOR: Is that a kind of contingency
22 fund as well, to the extent that you really don't
23 know what is happening this year, you anticipate 17?

24 MAYOR SANDERSON: Well, we are in more than one
25 lawsuit that we are paying outside attorney's fees

1 on, so it's not really a contingency. This is
2 something that we consider could easily be the
3 correct amount that we're going to spend in the next
4 twelve months.

5 FROM THE FLOOR: Then just below that also in
6 codes enforcement, 1421.4, contractual, you budgeted
7 1250, you spent 1900, and you're anticipating 8700.

8 MAYOR SANDERSON: It goes along with the
9 category immediately above it, which is the code
10 enforcement officer's salary at this particular
11 point in time. He took, for his own personal
12 reasons, a reduction in salary, and we have
13 therefore -- I have therefore put his actual salary
14 in the budget, but in the event that I have to hire
15 a different code enforcement officer, I put the
16 difference in his salary into contractual, so that
17 it can be moved back without an increase in budget,
18 back into salary, if necessary.

19 FROM THE FLOOR: Is the reduction in his salary
20 in anticipation of fewer hours?

21 MAYOR SANDERSON: No.

22 FROM THE FLOOR: Are you able to share what
23 that's based on?

24 MAYOR SANDERSON: It's a personal matter. I'd
25 prefer not to discuss it.

1 FROM THE FLOOR: Your contingency account
2 1990.40, where you had sixty-five budgeted, you
3 spent none, and you're budgeting fifty, where does
4 that sixty-five go?

5 MAYOR SANDERSON: If it's not used it goes into
6 surplus. However, it hasn't been used for many
7 years. But it is a rainy day fund. It's -- unlike
8 the next one, which continues from year to year,
9 that does not continue from year to year. You
10 either spend it during the year or you lose it --

11 FROM THE FLOOR: By lose it you mean it goes
12 into surplus, it doesn't remain on that line?

13 MAYOR SANDERSON: Exactly, it does not remain
14 on the line. However, if there was a category that
15 considerably exceeded the budget, that's where the
16 funds would come from, without having to break the
17 budget.

18 FROM THE FLOOR: Before I get into the tax
19 stabilization fund, the new fund you spoke of that's
20 a hundred thousand dollars, I'm just curious, I read
21 this quickly today, it looks to me that the
22 difference between what was budgeted for '06 and
23 what you anticipate spending in '06 is two hundred
24 forty three thousand seven hundred and some odd
25 dollars. Is that money that's still sitting in the

1 budget or is that money you didn't collect?

2 MAYOR SANDERSON: It is -- obviously it's money
3 that -- you know, the budget is a budget, it's a
4 guideline, and yes the funds were not spent, but you
5 can balance that, if you look further down through
6 the budget, or further down through revenue. Our
7 anticipated revenues decreased as well so in fact
8 both sides of the coin are affected, but it is only
9 a budget after all.

10 FROM THE FLOOR: Understood. My real question
11 is, is there a \$243,000 surplus from --

12 MAYOR SANDERSON: You have to look at the
13 revenue page as well, and equate the two together,
14 and you'll find that you can do the math quite
15 easily.

16 FROM THE FLOOR: Have you done that, what your
17 surplus is?

18 MAYOR SANDERSON: It's basically a thousand
19 dollars or twelve hundred dollars but we haven't
20 come to the end of the year yet. We don't actually
21 know yet.

22 FROM THE FLOOR: But if you spend what you
23 anticipate you're saying there isn't going to be a
24 lot of surplus?

25 MAYOR SANDERSON: There is not going to be a

1 large surplus.

2 FROM THE FLOOR: There is not, okay.

3 I was wondering what you attribute the
4 reduction in building activity to?

5 MAYOR SANDERSON: Building activity goes up and
6 down. From the previous budget certainly there was
7 a major project that did not move along as fast as
8 we expected, so we had less cost and less revenue.
9 We do however expect that particular project to come
10 in to the village during the next twelve months.

11 FROM THE FLOOR: What project is that?

12 MAYOR SANDERSON: It's called Halley 2.

13 FROM THE FLOOR: Now the tax stabilization fund,
14 the newspapers report, and it's hard to believe that
15 it's not a part of your consideration, the fact that
16 you believe that you'll get some litigation on the
17 proposed rabbinical college; is that correct?

18 MAYOR SANDERSON: I don't know, but at some
19 time in the future, since your firm has threatened
20 the village in the newspaper, one can only assume
21 that that may happen.

22 FROM THE FLOOR: That's your interpretation. We
23 did not. But what I wanted to say, I want to ask
24 you a couple of questions about that fund, and
25 wondered, had you ever had a fund like that before?

1 You obviously didn't have it in '06.

2 MAYOR SANDERSON: Not since I've been on the
3 board.

4 FROM THE FLOOR: Which is how long?

5 MAYOR SANDERSON: Nine years.

6 FROM THE FLOOR: And is there anything
7 particular that encouraged you to do it this time?

8 MAYOR SANDERSON: I'm a fiscal conservative,
9 and I believe in being a fiscally prudent person,
10 and I believe that there are aspects of what is
11 going to happen to the village over the next twelve
12 months, or actually fourteen months, that make the
13 creation of a fund that will stabilize taxes in the
14 future, in the event of some unforeseen cost coming
15 into the village.

16 FROM THE FLOOR: Okay. So you have -- you have
17 what would have been your usual contingency fund on
18 one line and now you have an additional contingency
19 fund?

20 MAYOR SANDERSON: That is correct.

21 FROM THE FLOOR: And I understand you're
22 anticipating increased garbage with new contracts
23 and you never know what happens with snow removal
24 and road repairs; is there anything else that you
25 have in mind?

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1 MAYOR SANDERSON: No.

2 FROM THE FLOOR: Are you able to tell us how
3 much you budgeted for paying Marcie Hamilton?

4 MAYOR SANDERSON: It's a moot question. Marcie
5 Hamilton doesn't work for the village.

6 FROM THE FLOOR: And have you budgeted a
7 specific amount for an attorney to retain in the
8 event of a lawsuit concerning the rabbinical
9 college?

10 MAYOR SANDERSON: No.

11 FROM THE FLOOR: Then I would just like to say,
12 thank you for your time, and also say to you that we
13 have already made an overture to the village to
14 speak with us about our plans. There is a lot in
15 the newspapers that are phantom concerns; even your
16 concept that we have threatened, from what you've
17 read in the newspaper. Our concern is to meet with
18 the village, explain to the village what it is that
19 we propose, and to sit down and talk to whoever is
20 appropriate, whether it's, you know, the mayor,
21 whether it's the planning board, whoever you deem
22 appropriate. Many places have CDRCs, I don't know
23 if you have it, where you sit down before projects
24 are developed and you discuss what the concerns are.
25 We spent two years developing the EIS. We

1 would love to sit down with you. We know what we'd
2 like to build, we know what we believe are real
3 issues and what are phantom issues. We'd like to
4 share it with you. We'd like to accommodate the
5 village's real concerns, and we'd like you to know
6 what -- we'd like to know what yours are, and we'd
7 like you to know what we see are problems and what
8 are not problems, and so, to all the new members of
9 the board, we invite you, in whatever form you want
10 to sit down with us and look at these proposals and
11 discuss them, because I believe that you're
12 envisioning a lawsuit, and probably putting aside
13 substantial funds that increase taxes on the lawsuit
14 is premature.

15 The usual pattern is to discuss it first. You
16 say, that's crazy, we want you to do this, we want
17 you to do that, and we're prepared to do that.
18 We're prepared to accommodate any reasonable
19 concerns, and to share with you what our two years
20 of studies have shown.

21 MAYOR SANDERSON: Thank you.

22 MS. ULMAN: May I ask her a question?

23 MAYOR SANDERSON: By all means.

24 MS. ULMAN: Are you proposing an application or
25 a concept at this stage?

1 FROM THE FLOOR: We would propose a concept to
2 you, yes.

3 MS. ULMAN: Okay.

4 (Inaudible discussion between members)

5 MAYOR SANDERSON: I think she meant all the
6 members of the board.

7 FROM THE FLOOR: No, the board, the mayor, the
8 planning board, whoever it is.

9 MAYOR SANDERSON: You addressed the new
10 members.

11 FROM THE FLOOR: Alma, I apologize. We already
12 offered to the existing board, and that's
13 continuing. I'm just letting the new board members
14 know that we made that offer and it's open still,
15 and we encourage it.

16 MAYOR SANDERSON: I have no other -- okay, come
17 on up.

18 FROM THE FLOOR: Alan Lamer, 2 North Ridge Road,
19 Pomona. Just two items, one was pointed out by my
20 children, which is on page three, for parks; in the
21 prior year we had ten thousand dollars budgeted, and
22 spent almost the entire amount, \$9,675, at least
23 that's what is projected, and I see for the next
24 fiscal year you are now budgeting \$5,000. Are we
25 cutting back on the maintenance of the parks?